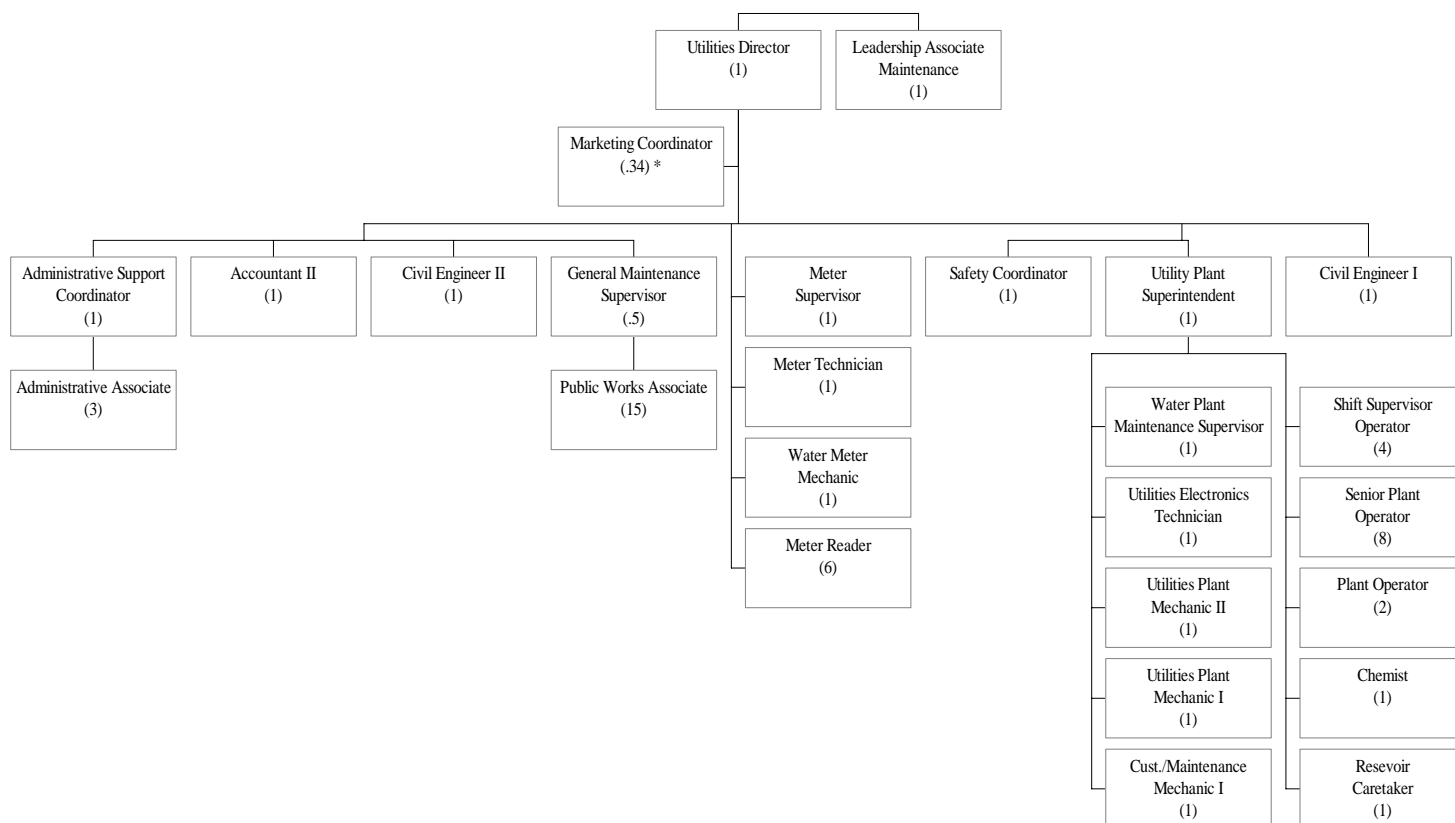


Water Fund (Public Works – Utilities)

Position Summary

56.84 City Funded Positions

56.84 Total Positions

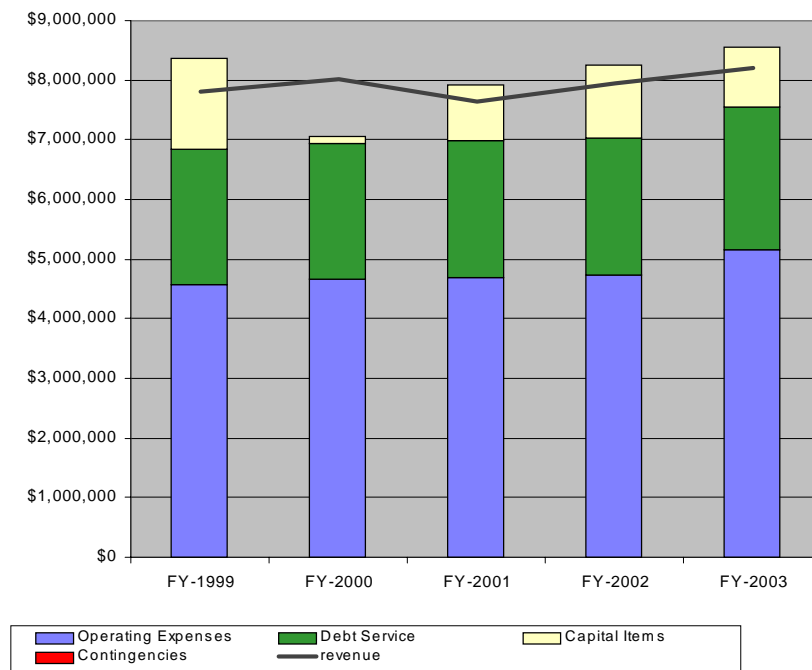
* Marketing Coordinator position is shared among three departments. Remainder of position assigned to and funded by:

Communications and Marketing – .33 FTE

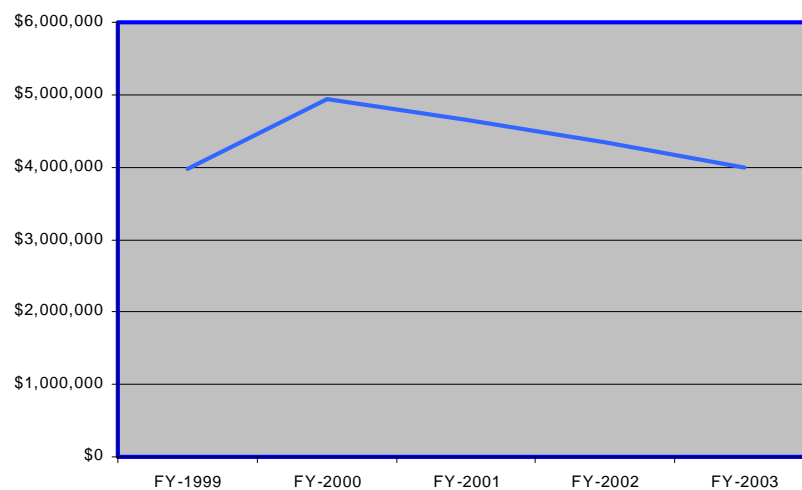
Waste Management - .33 FTE

Lynchburg has one of the nation's oldest public water systems. Today, the system is managed by the Public Works Department and furnishes safe drinking water to 70,000 City residents and businesses. It also delivers water to Amherst, Bedford and Campbell Counties under wholesale contract agreements. Lynchburg's raw water comes from the Pedlar Reservoir, a protected watershed in the George Washington Forest and from the James River. The system can deliver up to 26 million gallons of water a day from two water treatment plants. Total treated water storage capacity is approximately 35 million gallons. Water is delivered through a 450-mile network of transmission and distribution lines, 13 water storage tanks and 7 major pump stations.

Revenues & Expenses



Ending Funds



Enterprise Fund**Water Fund***Water Fund Summary*

	Actual FY 2001	Adopted FY 2002	Amended FY 2002	Proposed FY 2003	Adopted FY 2003
Beginning Funds	\$4,932,171	\$4,890,561	\$4,641,618	\$4,336,950	\$4,336,950
Revenues:					
Charges for Services	\$5,969,424	\$6,508,011	\$6,160,176	\$6,340,010	\$6,340,010
Water Contracts	1,290,893	1,722,427	1,539,944	1,628,141	1,628,141
Interest & Other	377,699	278,829	252,947	239,024	239,024
	\$7,638,016	\$8,509,267	\$7,953,067	\$8,207,175	\$8,207,175
Expenses:					
Operating -Departmental	\$3,584,727	\$4,055,059	\$3,694,860	\$3,971,073	\$3,971,073
Operating-Non-Departmental	1,093,559	1,171,366	1,036,493	1,179,233	1,182,220
Debt Service Payments	2,295,493	2,330,022	2,300,473	2,399,265	2,399,265
Capital Purchases & Transfers	954,790	813,397	1,225,909	993,269	993,269
Contingencies	0	100,000	0	0	0
	\$7,928,569	\$8,469,844	\$8,257,735	\$8,542,840	\$8,545,827
Ending Funds	\$4,641,618	\$4,929,984	\$4,336,950	\$4,001,285	\$3,998,298
Key Ratios:					
Ending Funds as a % of fund					
Expenses - 40% target	59%	58%	53%	47%	47%
Debt Coverage - 1.2 target	1.29	1.37	1.40	1.27	1.27

Water Fund Revenue Summary

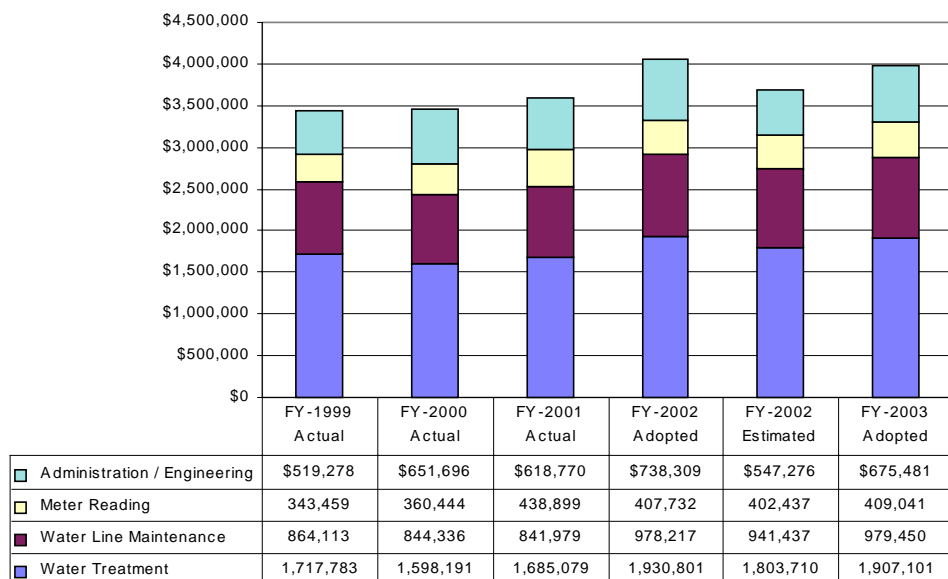
	Actual FY 2001	Adopted FY 2002	Amended FY 2002	Proposed FY 2003	Adopted FY 2003
Charges for Services:					
Water Sales	\$4,340,052	\$4,838,716	\$4,435,828	\$4,589,671	\$4,589,671
Meter Charges	508,581	503,000	511,581	514,581	514,581
Sewer Fund Charges	343,724	460,000	460,000	469,200	469,200
General Fund Hydrant Charges	294,168	300,050	300,051	306,052	306,052
Availability/Connection Fees	187,770	150,000	150,000	150,000	150,000
Cut-on/off Charges	126,665	121,379	129,198	131,782	131,782
Delinquent Account Fees	29,700	37,078	30,591	31,509	31,509
Fire protection Fees	45,476	47,156	46,840	48,245	48,245
Water Cost Plus	68,768	46,566	70,831	72,956	72,956
All Others	24,520	4,066	25,256	26,014	26,014
TOTAL	\$5,969,424	\$6,508,011	\$6,160,176	\$6,340,010	\$6,340,010
Water Contracts:					
Amherst	\$115,246	\$114,638	\$116,200	\$118,524	\$118,524
Bedford	668,443	749,628	784,000	831,667	831,667
Campbell	17,159	23,592	17,456	17,983	17,983
Industrial	490,045	834,569	622,288	659,967	659,967
TOTAL	\$1,290,893	\$1,722,427	\$1,539,944	\$1,628,141	\$1,628,141
Interest & Other:					
Interest	\$353,214	\$273,269	\$227,977	\$213,605	\$213,605
All Other	24,485	5,560	24,970	25,419	25,419
TOTAL	\$377,699	\$278,829	\$252,947	\$239,024	\$239,024
TOTAL	\$7,638,016	\$8,509,267	\$7,953,067	\$8,207,175	\$8,207,175

Enterprise Fund**Water Fund***Water Fund Expenditure Summary*

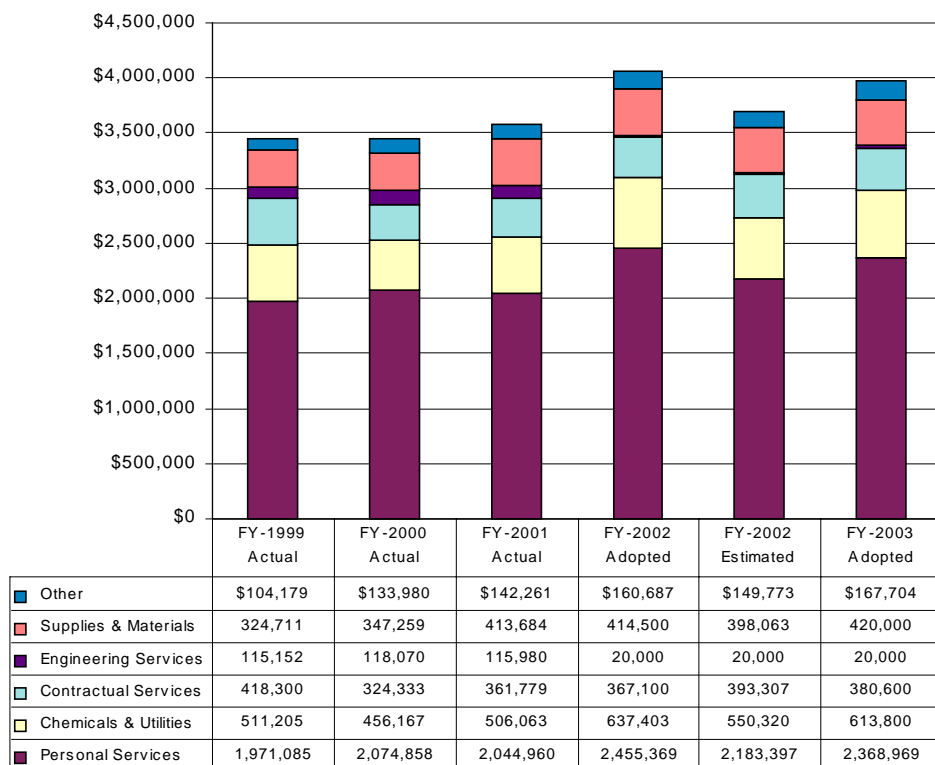
	Actual FY 2001	Adopted FY 2002	Estimated FY 2002	Proposed FY 2003	Adopted FY 2003
Departmental:					
Personal Services	\$1,520,152	\$1,866,247	\$1,660,560	\$1,799,201	\$1,826,230
Employee Benefits	524,808	589,122	522,837	550,213	542,739
Supplies & Materials	413,684	414,500	398,063	420,000	420,000
Chemicals	178,125	268,603	203,020	236,500	236,500
Gas/Diesel Fuel	23,325	26,200	19,400	21,833	21,833
Internal Services Charges	42,634	41,972	51,057	54,856	54,856
Rentals & Leases	11,340	13,400	11,300	11,900	11,900
Utilities	327,938	368,800	347,300	377,300	377,300
Buildings & Grounds Maintenance	5,580	7,000	6,000	7,000	7,000
Contractual Services	361,779	367,100	393,307	380,600	380,600
Training & Meetings	12,139	20,500	14,000	20,500	20,500
Engineering Services	115,980	20,000	20,000	20,000	20,000
Misc. Expenses	47,243	51,615	48,016	51,615	51,615
TOTAL	\$3,584,727	\$4,055,059	\$3,694,860	\$3,951,518	\$3,971,073
Non-Departmental:					
General Fund Payments	\$826,031	\$826,031	\$826,031	\$924,969	\$924,969
Self Insurance	60,455	60,455	60,455	109,113	109,113
Financial audit	19,896	20,000	27,581	28,132	28,132
Retirees health insurance	71,413	72,988	71,092	87,058	80,786
Est. uncollectable accounts	33,328	12,908	0	0	0
Banking services	4,177	6,461	6,334	6,461	6,461
GIS / utility billing upgrades	21,839	90,000	21,500	0	0
Rate setting services	52,969	0	0	0	0
Compensation Plan Adjustments	0	41,206	0	0	9,259
Partners in Emergency Response	0	37,500	12,500	12,500	12,500
All Other	3,451	3,817	11,000	11,000	11,000
TOTAL	\$1,093,559	\$1,171,366	\$1,036,493	\$1,179,233	\$1,182,220
Capital Purchases & Transfers:					
Transfer to Water Capital Fund	\$800,000	\$725,000	\$1,000,000	\$850,000	\$850,000
Transfer to General Fund	47,349	0	50,297	0	0
Transfer to City Fleet Fund	78,226	68,397	155,612	123,269	123,269
Capital purchases	29,215	20,000	20,000	20,000	20,000
TOTAL	\$954,790	\$813,397	\$1,225,909	\$993,269	\$993,269

Water Fund Departmental Expenses

By Division



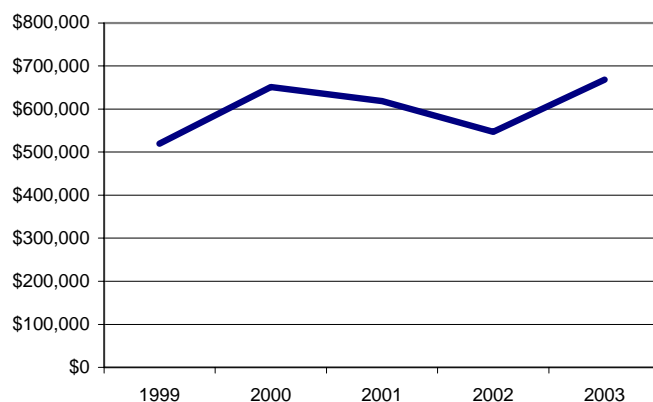
By Object Code



Administration/Engineering Operating Expenses

By Object Code:	Actual FY 2001	Adopted FY 2002	Amended FY 2002	Proposed FY 2003	Adopted FY 2003
Personal Services	\$291,603	\$452,933	\$311,585	\$412,876	\$420,964
Fringe Benefits	99,347	152,476	98,743	121,207	119,823
Supplies & Materials	27,353	12,300	15,600	15,600	15,600
Gasoline / Fuel	1,155	1,600	1,000	1,177	1,177
Internal Service Charges	1,858	1,800	1,948	2,117	2,117
Rentals & Leases	6,029	5,000	5,000	5,500	5,500
Utilities	1,879	6,000	6,000	6,000	6,000
Contractual Services	64,588	72,700	77,900	70,800	70,800
Training & Meetings	3,481	7,000	3,500	7,000	7,000
Engineering	115,980	20,000	20,000	20,000	20,000
Miscellaneous	5,497	6,500	6,000	6,500	6,500
	<u>\$618,770</u>	<u>\$738,309</u>	<u>\$547,276</u>	<u>\$668,777</u>	<u>\$675,481</u>

Five Year Trend Data



FY-2003 Activity Cost

Manage the Water & Sewer System	\$114,601
Government & Regulatory Liaison	70,790
Government & Regulatory Liaison	144,457
Financial & HR Management	27,339
Warehousing	54,679
Safety Coordination	61,879
Training & Meetings	201,736
Administration & Other	<u>\$675,481</u>

Performance Data:

# of Authorized Staff Positions	10.3	10.3	10.3	10.3	10.3
# of Authorized Staff Supervised	106	102	102	102	102
Total Adm. Cost as a % of total Operating Budgets	9.7%	10.1%	10.1%	10.1%	10.1%

Water Fund Administration/Engineering Operating Budget Description

The Adopted FY2003 Water Fund Administration/Engineering budget of \$680,481 represents a 7.83 percent decrease of \$57,828 as compared to the Adopted FY2002 budget of \$738,309.

Significant changes introduced in the Requested FY2003 budget include:

- ◆ \$40,057 decrease in Personal Services
- ◆ \$31,269 decrease in Fringe Benefits
- ◆ \$3,300 increase in Supplies & Materials
- ◆ \$423 decrease in Gas/Diesel Fuel
- ◆ \$317 increase in Internal Service charges is due to changes in the cost of fleet maintenance
- ◆ \$500 increase in Rental & Leases
- ◆ \$1,900 decrease in Contractual Services is based on historical data

The Department requested \$668,777.

All major items requested were proposed for funding.

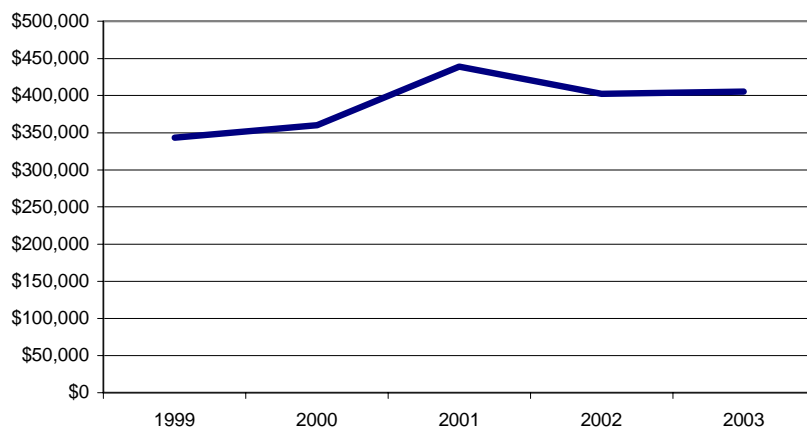
The Proposed FY2003 Water Fund Administration/Engineering budget was adopted with the following changes:

- ◆ \$8,088 increase in Personal Services reflecting a two percent general salary increase
- ◆ \$1,384 decrease in Fringe Benefits reflecting a State instituted Life Insurance holiday and changes in the Health Plan
- ◆ \$5,000 increase in Equipment Replacement/Addition

Meter Reading Operating Expenses

By Object Code:	Actual FY 2001	Adopted FY 2002	Amended FY 2002	Proposed FY 2003	Adopted FY 2003
Personal Services	\$217,041	\$232,437	\$227,835	\$230,454	\$234,970
Fringe Benefits	88,061	76,623	75,681	76,132	75,361
Supplies & Materials	90,654	67,400	66,650	67,400	67,400
Gasoline / Fuel	7,738	10,000	7,000	7,216	7,216
Internal Service Charges	9,700	9,172	13,671	11,494	11,494
Rentals & Leases	48	100	100	100	100
Utilities	2,477	2,800	1,800	1,800	1,800
Contractual Services	19,600	5,400	5,900	6,900	6,900
Training & Meetings	3,231	3,500	3,500	3,500	3,500
Miscellaneous	349	300	300	300	300
	<u>\$438,899</u>	<u>\$407,732</u>	<u>\$402,437</u>	<u>\$405,296</u>	<u>\$409,041</u>

Five Year Trend Data



FY-2003 Activity Cost

Scheduled Meter Reading	\$124,791
Remove / Replace Meters	86,248
Turn on/off Service	31,668
Investigate High / Low Reads	69,228
Repair & Test Meters	20,498
CSO Reporting	3,416
Training & Meetings	17,166
Administration & Other	56,026
	<u>\$409,041</u>

Performance Data:

# of Authorized Staff Positions	9	9	9	9	9
# of Meters Read per Month	20,332	20,500	20,400	20,500	20,500
# of Meters Replaced	1,078	1,300	1,300	1,300	1,300
# of High / Low Investigations	2,301	4,800	4,800	4,800	4,800
# of Turn-on / Turn-offs	4,298	3,800	3,800	3,800	3,800
Cost of Scheduled Meter Reading per Month/Meter	\$0.63	\$0.63	\$0.60	\$0.00	\$0.00

Meter Reading Operating Budget Description

The Adopted FY2003 Meter Reading budget of \$409,041 represents a 0.32 percent decrease of \$1,309 as compared to the Adopted FY2002 budget of \$407,732.

Significant changes introduced in the Requested FY2003 budget include:

- ◆ \$1,983 decrease in Personal Services is based on historical data
- ◆ \$2,784 decrease in Gas/Diesel Fuel is based on historical data
- ◆ \$2,322 increase in Internal Service charges is due to changes in the cost of fleet maintenance
- ◆ \$1,000 decrease in Utilities is based on historical data
- ◆ \$1,500 increase in Contractual Services is based on historical data

The Department requested \$405,296.

All major items requested were proposed for funding.

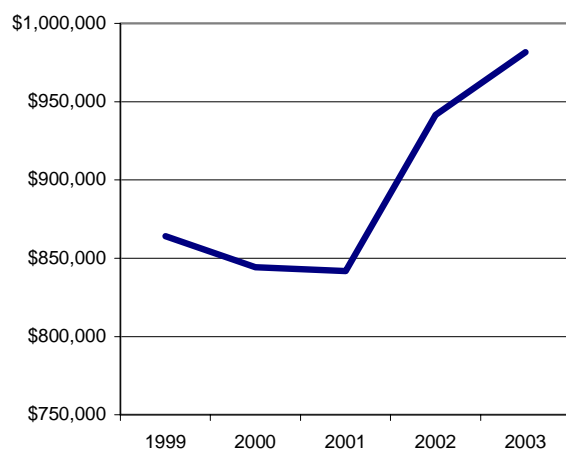
The Proposed FY2003 Meter Reading budget was adopted with the following changes:

- ◆ \$4,516 increase in Personal Services reflecting a two percent general salary increase
- ◆ \$771 decrease in Fringe Benefits reflecting a State instituted Life Insurance holiday and changes in the Health Plan

Water Line Maintenance Operating Expenses

By Object Code:	Actual FY 2001	Adopted FY 2002	Amended FY 2002	Proposed FY 2003	Adopted FY 2003
Personal Services	\$378,166	\$443,693	\$437,894	\$447,732	\$448,404
Fringe Benefits	120,815	137,024	132,318	136,706	133,655
Supplies & Materials	218,168	242,300	228,900	242,100	242,100
Gasoline / Fuel	11,278	11,000	8,700	10,432	10,432
Internal Service Charges	22,943	25,000	27,425	23,159	23,159
Rentals & Leases	2,019	1,000	2,000	2,000	2,000
Utilities	2,169	2,500	2,000	2,000	2,000
Buildings & Grounds	17	500	500	500	500
Contractual Services	84,427	111,200	98,700	113,200	113,200
Training & Meetings	1,526	3,000	2,000	3,000	3,000
Miscellaneous	451	1,000	1,000	1,000	1,000
	<u>\$841,979</u>	<u>\$978,217</u>	<u>\$941,437</u>	<u>\$981,829</u>	<u>\$979,450</u>

Five Year Trend Data



FY 2003 Activity Cost

Line Maintenance & Repair	\$323,285
Install & Maintain Water Service	375,982
Hydrant Maintenance	53,299
Respond to Customers	67,895
Yard Operations	27,098
Training & Meetings	82,794
Administration & Other	49,097
	<u>\$979,450</u>

Performance Data:

# of Authorized Staff Positions	14	15.5	15.5	15.5	15.5
# of Utility Cuts	151	200	175	175	175
# of Main Repairs	92	80	90	90	90
# of Hydrants Installed & Repaired	164	100	150	150	150
# of New Services Installed	92	100	100	100	100
# of Service Renewals	171	165	165	165	165
# of Service Repairs	266	200	250	250	250
Snow Removal Hours	0	500	500	500	500

Water Line Maintenance Operating Budget Description

The Adopted FY2003 Water Line Maintenance budget of \$979,450 represents a 0.13 percent increase of \$1,233 as compared to the Adopted FY2002 budget of \$978,217.

Significant changes introduced in the Requested FY2003 budget include:

- ◆ \$1,841 decrease in Internal Service charges is due to changes in the cost of fleet maintenance
- ◆ \$1,000 increase in Rentals & Leases is based on historical usage
- ◆ \$2,000 increase in Contractual Services is due to inflation

The Department requested \$981,829.

All major items requested were proposed for funding.

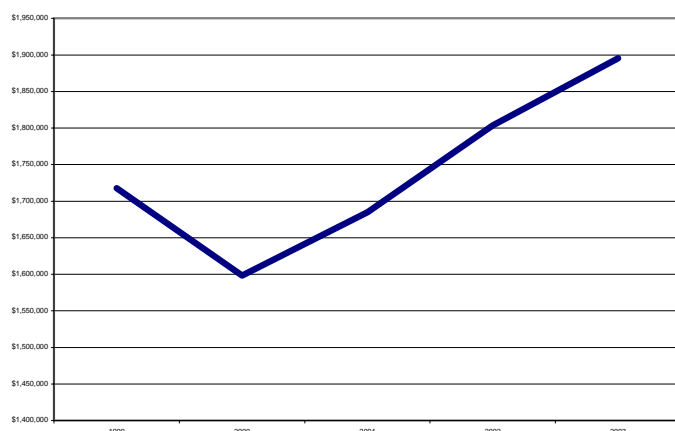
The Proposed FY2003 Water Line Maintenance budget was adopted with the following changes:

- ◆ \$672 increase in Personal Services reflecting a two percent general salary increase
- ◆ \$3,051 decrease in Fringe Benefits reflecting a State instituted Life Insurance holiday and changes in the Health Plan

Water Treatment Operating Expenses

By Object Code:	Actual FY 2001	Adopted FY 2002	Amended FY 2002	Proposed FY 2003	Adopted FY 2003
Personal Services	\$633,342	\$737,184	\$683,246	\$708,139	\$721,892
Fringe Benefits	216,585	222,999	216,095	216,168	213,900
Supplies & Materials	77,509	92,500	86,913	94,900	94,900
Chemicals	178,125	268,603	203,020	236,500	236,500
Gasoline / Fuel	3,154	3,600	2,700	3,008	3,008
Internal Service Charges	8,133	6,000	8,013	18,086	18,086
Rentals & Leases	3,244	7,300	4,200	4,300	4,300
Utilities	321,413	357,500	337,500	367,500	367,500
Buildings & Grounds	5,563	6,500	5,500	6,500	6,500
Contractual Services	193,164	177,800	210,807	189,700	189,700
Training & Meetings	3,901	7,000	5,000	7,000	7,000
Miscellaneous (including Operations Fee)	40,946	43,815	40,716	43,815	43,815
	\$1,685,079	\$1,930,801	\$1,803,710	\$1,895,616	\$1,907,101

Five Year Trend Data



FY-2003 Activity Cost

Maintain the Pedlar Reservoir	\$31,415
Operate the plants, tanks & Pump Stations	1,214,414
System Maintenance	296,133
General Maintenance	124,935
Laboratory Analysis	80,285
Training & Meetings	54,375
Administration & Other	105,546
	\$1,907,101

Performance Data:

# of Authorized Staff Positions	23	23	23	22	22
Water Source (mgd) - Pedlar	10.52	10.50	10.50	10.50	10.50
Water Source (mgd) - James	0.40	1.50	1.50	1.50	1.50
Water Treated (mgd) - College Hill	4.85	5.50	5.50	6.00	6.00
Water Treated (mgd) - Abert	6.06	6.00	6.00	6.00	6.00
Cost of Treatment / MG Treated	\$423	\$460	\$430	\$433	\$435

Water Treatment Plant Operating Budget Description

The Adopted FY2003 Water Treatment budget of \$1,907,101 represents a 1.23 percent decrease of \$23,700 as compared to the Adopted FY2002 budget of \$1,930,801.

Significant changes introduced in the Requested FY2003 budget include:

- ◆ \$29,045 decrease in Personal Services is due to the elimination of an operator position
- ◆ \$6,831 decrease in fringe Benefits is due to the elimination of a operator position
- ◆ \$2,400 increase in Supplies & Materials is due to an increase in the cost of plant equipment parts
- ◆ \$32,103 decrease in Chemicals is based on historical data
- ◆ \$12,086 increase in Internal Service charges is due to changes in the cost of fleet maintenance
- ◆ \$3,000 decrease in Rentals & Leases is based on historical usage
- ◆ \$10,000 increase in Utilities is due to inflation
- ◆ \$11,900 increase in Contractual Services is due to additional security requirements

The Department requested \$1,895,616.

All major items requested were proposed for funding.

The Proposed FY2003 Water Treatment budget was adopted with the following changes:

- ◆ \$13,753 increase in Personal Services reflecting a two percent general salary increase
- ◆ \$2,268 decrease in Fringe Benefits reflecting a State instituted Life Insurance holiday and changes in the Health Plan